

**A REGULAR MEETING  
OF  
THE PUBLIC SERVICE COMMISSION**

1. A Regular Meeting was called to order by Chair Dallas Winslow in the Hearing Room, 861 Silver Lake Boulevard, Dover, Delaware, on Tuesday, June 18, 2013, at 1:00 p.m. with the following Commissioners in attendance: Joann Conaway, Jeffrey Clark, and Jaymes Lester.

The following Staff members were in attendance: Alisa Bentley, Janis Dillard, Julie Donoghue, Esquire, Lawrence Lewis, Esquire, Robert Howatt and Octavia Woodard.

2. CONSENT AGENDA ITEMS:

Commissioner Conaway moved to adopt the Consent Agenda items.

- a. IN THE MATTER OF THE APPLICATION OF AMBIT NORTHEAST, LLC D/B/A AMBIT ENERGY FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (FILED JANUARY 16, 2013) - PSC DOCKET No. 13-21

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Commission to consider Staff Memorandum and Order No. 8392.

- b. IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFF (FILED May 24, 2013) – PSC DOCKET NO. 13-76-05

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Commission to consider Staff Memorandum and Order No. 8393.

- c. THE MATTER OF THE APPLICATION OF U.S. POWER TRADE, LLC FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (FILED APRIL 8, 2013) - PSC DOCKET No. 13-137

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Commission to consider Staff Memorandum and Order No 8398.

Commissioner Clark seconded the motion; the motion carried unanimously.

4. REGULAR AGENDA ITEMS:

- a. IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY TO APPROVE AN AGREEMENT WITH WASHINGTON GAS ENERGY SERVICES, INC. FOR THE PURCHASE OF SOLAR RENEWABLE ENERGY CREDITS (FILED MARCH 11, 2013) - PSC DOCKET NO. 13-99
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Larry Lewis, Esquire and Pam Knotts appeared on the behalf of Staff.

Regina Iorii, Esquire appeared on the behalf of Division of the Public Advocate.

Pamela Scott, Esquire and William Swink appeared on the behalf of Delmarva Power & Light Company.

Tom Noyes and Ralph Durstein appeared on behalf of Department of Natural Resources and Environmental Control (DNREC).

Telemac Chryssikos, Esquire appeared on the behalf of Washington Gas Energy Services, Inc.

Ms. Scott stated that the parties have come to a settlement. The terms are that DP&L will purchase SRECs from WGES at \$74 from year one to seven and \$50 for years eight to twenty. The other sections of the agreement will remain the same.

Mr. Swink was sworn in by court reporter and provided testimony in support of the agreement.

Mr. Chryssikos stated Washington Gas has agreed to this settlement. They believe the settlement is in the public interest and balances the interest of the parties.

Ms. Knotts was sworn in by court reporter.

Ms. Knotts was questioned by Mr. Lewis about the terms of the settlement agreement and outlined the risks that WGES assumes with respect to the agreement.

She believes that the settlement and the amendment contract complies with the legislative intent and is in the rate payers' interest.

Ms. Iorii stated on the behalf of the Public Advocate that this settlement is in the public's interest and glad they reached an agreement.

Mr. Noyes was sworn in by court reporter.

Mr. Noyes stated DNREC supports the agreement.

A motion was made by Commissioner Conaway and seconded by Commissioner Lester to adopt Order No. 8396; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

b. IN THE MATTER OF THE COMPLAINT FILED BY MARIE BOUMAN  
T/A ACT I FRAMING AGAINST DELMARVA POWER & LIGHT  
COMPANY CONCERNING METER REPLACEMENT (FILED  
NOVEMBER 26, 2012) - PSC COMPLAINT DOCKET 386-12

Larry Lewis, Esquire appeared on the behalf of Staff.

Regina Iorii, Esquire appeared on the behalf of the Division of the Public Advocate.

Pamela Scott, Esquire appeared on the behalf of Delmarva Power & Light Company.

Anthony Arcaro, Esquire appeared on the behalf of Ms. Marie Bouman T/A Act I Framing.

Chair Winslow recused himself from this matter and relinquished his gavel to Commissioner Conaway due to personal involvement with the company.

Mr. Arcaro stated that DP&L doesn't unilateral have the right to replace a fully functioning and positively accurate electric meter for another meter to upgrade its infrastructure. There was nothing stated in Order No. 7420 about a mandatory installation of Smart Meters. The current meter meets the company standards and can be read by a meter reader or called in.

Ms. Scott replied Delmarva supports the Hearing Examiner's report.

She stated in 2008, the Commission directed Delmarva to proceed to implement this technology throughout its service territory. Though there was no opt out option she argues this decision had been made in 2008 it is now too late in 2013 for anyone to come forward and make the argument that is being made at this time. Being the meter belongs to DP&L, they are allowed to make any repairs or replace it.

Commissioner Clark if you have a challenge to how a regulation is put into place it must be challenged within a timely period.

Ms. Scott replied there was not an opt-out option available when the Commission ruled on this entire issue.

Commissioner Clark disagreed with not giving somebody the right to challenge. He questioned if there is an alternative metering.

Ms. Scott answered all data is now being gathered through the smart meter.

Commissioner Clark suggested if the customer would like a different meter they should be responsible for the cost.

Mr. Lewis added if Staff's position in the proceedings was that the tariff 20(A) may be applicable because the new system is actually the AMI system then the existing meter would be an alternative to the new system. If the proposition is accepted then you follow the wording of the tariff and additional costs in terms of meters exchange and links would be accessed to the customer.

Mr. Arcaro again argued if there were no opt-out rule then we can't interpret something that is not there.

Ms. Iorii added you can't assume there was or was not an opt-out clause because it is silent, but it was clear from Commission Order 7420 that the Commission was authorizing Delmarva to proceed with the implementation of Smart Meters.

Part of what convinced the Commission to adopt Order No. 7420 was the cost savings that would result from not having to have manual meter readings any more.

Commissioner Clark added the only exception he could think would arguably allow the consumer to keep the meter in this property would be 20(A), if they would pay additional cost. But he is persuaded by Delmarva's citing the provision provided that such alternative metering equipment meets the company's electrical and data processing standards.

A motion was made by Commissioner Clark and seconded by Commissioner Lester to adopt Order No. 8375; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- c. IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED AUGUST 19, 2011)- PSC

Jo Donoghue, Esquire and Pam Knotts appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Pamela Scott, Esquire appeared on the behalf of Delmarva Power & Light Company.

Ms. Scott stated this is an application to request a change to the tariff language concerning the qualified fuel cell provider. The reason for the change is because of the applicability of PJM rules.

Ms. Donoghue said Staff supports the proposed order. Staff believes this is a necessary change in order for the current tariff provision to be consistent with the PJM operating rules because Diamond State Generation Partners LLC is now a capacity resource.

A motion was made by Commissioner Conaway and seconded by Commissioner Clark to adopt Order No. 8394; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

d. IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF MODIFICATIONS TO ITS GAS COST RATES (FILED AUGUST 31, 2012) – PSC DOCKET NO. 12-419F

Jo Donoghue, Esquire appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Pam Scott, Esquire appeared on the behalf of Delmarva Power & Light Company.

Ms. Scott stated the parties in this proceeding presented a settlement agreement to the hearing examiner. The Hearing Examiner held an evidentiary hearing and decided to adopt the settlement agreement allowing the proposed gas cost rates that were proposed in Delmarva's application go into effect, which for a typical residential customer, would result in a 22.3 percent decrease in gas cost rates.

Ms. Donoghue supports Order No. 8397 stating the rates are just and reasonable.

Ms. Iorii supports the findings and recommendations.

A motion was made by Commissioner Clark and seconded by Commissioner Lester to adopt Order No. 8397; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- e. IN THE MATTER OF THE JOINT APPLICATION OF TRANS NATIONAL COMMUNICATIONS INTERNATIONAL, INC. (DEBTOR IN POSSESSION) AND TNCI OPERATING COMPANY LLC FOR APPROVAL OF THE SALE OF CUSTOMERS AND CERTAIN ASSETS (FILED MAY 7, 2013) – PSC DOCKET NO. 13-188

Jo Donoghue, Esquire appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Mike Gruin, Esquire and Joe Huston, Esquire appeared, via telephone, on behalf of Trans National Communications International, Inc. and TNCI Operating Company LLC.

Ms. Donoghue stated this proposed order would approve the request of Trans National Communications International, Inc. to sell and assign its current customers, including their contracts in certain assets of the company, to a newly formed Delaware company called TNT Operating Company LLC.

Staff would recommend that the Commission grant this sale on assignments, subject to the three conditions as set forth in the proposed order.

A motion was made by Commissioner Conaway and seconded by Commissioner Lester to adopt Order No. 8395; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- f. IN THE MATTER OF THE PETITION OF ARTESIAN COMPANY, INC. FOR A REVISION TO RATES ASSESSED PURSUANT TO INTERCONNECTION AGREEMENTS (FILED MAY 13- 2013) – PSC DOCKET NO. 13-193T

Jo Donoghue, Esquire and Lisa Driggins appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Jack Schreppler, Esquire appeared on behalf of Artesian Company, Inc.

Ms. Donoghue stated this deals with Artesian Water Company Inc's., (AWC) petition to establish two new interconnection rates. The petition was based on a notice that AWC received from Chester Water Authority (CWA), stating the Susquehanna River Basin Commission was going to vote on a resolution to increase the regulatory program fee schedules. This will, in turn, increase rates that CWA will charge to Artesian Water Company.

The petition included a request for a waiver of the thirty days' notice but Artesian Water Company requested a sixty-day waiver so that the Commission may act upon an increased rate that is scheduled to become effective July 1, 2013.

Staff also noted in the memorandum that Artesian Water Company waited 47 days after CWA gave the company the notice of the proposed increase and the resolution that was going to be voted on June 20, 2013. Ms. Donoghue argued that Artesian waited 45 days after notice which is not the first time they failed to comply. They want the Commission to expeditiously approve the proposed rates to be effective July 1, 2013.

Mr. Schreppler responded the documents didn't get to the rate department due to administrative staff issues and got lost with other papers. He explained a one cent per gallon surcharge imposed by the government cannot be avoided by CWA, nor AWC.

A motion was made by Commissioner Clark and seconded by Commissioner Lester to adopt Order No. 8391; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- g. IN THE MATTER OF THE APPLICATION OF TIDEWATER UTILITIES, INC. FOR THE APPROVAL OF THE SEMI-ANNUAL ADJUSTMENT TO THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DISC") PURSUANT TO 26 DEL. C &314 (b)(5) (FILED MAY 24, 2013) – PSC DOCKET NO. 13-207
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Larry Lewis, Esquire appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Mr. Lewis stated this is the application for the Distribution System Improvement Charge pursuant to the statutory authority in Title 26, Section 314 to recover depreciable expenses and return on capital that's eligible

pursuant to that statute. It is subject to adjustment on an annual basis. This would increase the Distribution System Improvement Charge rate by .68 percent effective July 1, 2013.

A motion was made by Commissioner Lester and seconded by Commissioner Clark to adopt Order No. 8399; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- h. IN THE MATTER OF THE APPLICATION OF UNITED WATER DELAWARE INC. CONCERNING THE SEMI ANNUAL ADJUSTMENT TO THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") EFFECTIVE JULY 1, 2013 PURSUANT TO DEL. C. &314(b) (5) (FILED MAY 29, 2013) – PSC DOCKET NO. 13-216

Larry Lewis, Esquire appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Mr. Lewis stated this application is for a Distribution System Improvement Charge, pursuant to 26 Delaware Code, Section 314. United Water's application is for an increase in the DSIC rate from 3.54 percent to 4.15 percent, which is effective July 1, 2013.

A motion was made by Commissioner Clark and seconded by Commissioner Conaway to adopt Order No. 8400; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

- i. IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC. CONCERNING THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") EFFECTIVE JULY 1, 2013 PURSUANT TO 26 DEL. C. &314 (FILED MAY 30, 2013)- PSC DOCKET NO. 13-217

Larry Lewis, Esquire appeared on the behalf of the Staff.

Regina Iorii, Esquire appeared on behalf of the Division of the Public Advocate.

Mr. Lewis stated this application is for a Distribution System Improvement Charge under Title 26, Section 314. Artesian's DSIC application is for an increase in the rate of 2.09 percent to an increase of 0.50 percent over the last period with an effective date of July 1, 2013. It is based on additional plant in



the amount of \$1,986,226, and the semi-annual association depreciation expense would be \$15,204. It meets the statutory standards.

A motion was made by Commissioner Conaway and seconded by Commissioner Clark to adopt Order No. 8401; the motion carried unanimously.

A verbatim transcript was made of the proceeding.

5. DIRECTOR'S COMMENTS:

- a. John Farber provided Staff a review of a proposed letter to Department of Energy supporting PJM's comments regarding grid-interactive water heaters in DOE Docket Number: EERE-2012-BT-STD-0022.
- b. Robert Howatt provided Staff with a few departmental updates. 1.) He announced Connie McDowell will be replacing Susan Neidig as Senior Regulatory Policy Administrator. 2.) He mentioned that PSC staff met with Tom Gordon and Sam Guy regarding options for cable franchising. 3.) He mentioned that a representative from Pipeline Safety is here conducting an audit. 4.) Mr. Howatt reminded Staff that there will be a workshop on electric vehicles on Friday. 5.) This summer, PSC is planning to upgrade with new furniture, video conferencing, video streaming, and WIFI throughout the building. 6.) Last, he announced that Larry Lewis will be leaving the PSC and wished him well.

There was no further business and the meeting was adjourned at approximately 2:40 p.m.

Respectfully submitted,

/s/ Alisa Carrow Bentley  
Secretary